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## NO. CC-05-03170-A

L.S. Unico, Inc. and Leonard Sadjadi, Individually, IN THE COUNTY COURT AT LAW **Plaintiffs** VS. OF DALLAS COUNTY, TEXAS Micrin Technologies Corporation. Defendant NUMBER

### PLAINTIFFS' ORIGINAL PETITION

### TO THE HONORABLE JUDGE OF THIS COURT:

Now come L.S. Unico, Inc., and Leonard Sadjadi, Individually, hereinafter referred to as the "Plaintiffs", and for cause of action state as follows:

### I. DISCOVERY CONTROL PLAN

The Plaintiffs, under Rules 190.1 and 190.4 of the Texas Rules of Civil Procedure, 1.01 allege that they intend to conduct discovery under Level 3 of such Rule.

#### II. PARTIES

Plaintiffs. The Plaintiff, L.S. Unico, Inc., is a Texas corporation incorporated and 2.01 doing business under the laws of the State of Texas with its principal offices and operations

located in Dallas County, Texas. The Plaintiff, Leonard Sadjadi, is an individual residing in Dallas, Dallas County, Texas.

- 2.02 Defendant. The Defendant, Micrin Technologies Corporation, is a Texas corporation incorporated and doing business under the laws of the State of Texas with its principal offices and operations located at 1479 Prudential Drive, Dallas, Dallas County, Texas 75235.
- 2.03 The named Plaintiffs and Defendant, as set forth above, are the parties who have an interest in the matter made the subject of this action.
- 2.04 Scrvice of Process. The registered agent and registered agent address of the Defendant to whom citation should be served is Mark Henderson, 1479 Prudential Drive, Dallas, Texas 75235.
- 2.05 <u>Venue</u>. The agreements, contracts and acts that form the basis of this suit arose in Dallas County. Texas, and the relief and damages requested by the Plaintiffs are within the jurisdictional limits of this Court.

#### III. FACTS

3.01 On or about August 25, 1998, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created and provided to the Defendant electrical/electronic designs and engineering expertise and/or designs with the Defendant as the manufacturer and marketer in return for either

royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

3.02 On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created and provided to the Defendant electrical/electronic designs and engineering expertise, with the Defendant as the manufacturer and marketer, in support of an Advanced Low Noise Amplifier (LNA) Panel, in return for either royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created, designed and provided to the Defendant electrical/electronic designs and engineering expertise, with the Defendant as the manufacturer and marketer, in support of a Com-Net 2U PDU product, in return for either royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created, designed and provided electrical/electronics expertise and support for a L-

Module/AS-Module Product to be manufactured and marketed by the Defendant. In addition the Defendant, having already begun a patent application process related to this technology, also known as a Lighted Status Indicator Corresponding to the Positions of a Circuit Breaker or Switch, which was invented by the Plaintiff, Leonard Sadjadi, obtained from the Plaintiffs an assignment of one-half of the rights to the technology related to the patent application process based on the promise that it would undertake, pay for and complete the patent application process. The Defendant abandoned the patent application process on or about September 22, 2003, at which time it proposed to the Plaintiffs that it would execute a contract that assigned all of the Defendant's rights to the patent application to L.S. Unico, Inc., conditioned on the Plaintiffs agreeing to those conditions. The Defendant subsequently refused to execute such a contract without the proposed conditions, despite a request to do so by the Plaintiffs.

- 3.03 Based on one or more of the above agreements the Defendant paid to the Plaintiff, L.S. Unico, Inc., royalties based on the sales of manufactured designs of the Plaintiff's through the latter part of 2004. Beginning in July, 2004, the Plaintiff's began to request from the Defendant not only certain royalties that were believed to be due but also an accounting and verification that any royalties due or any royalties claimed by the Defendant not to be due were in fact accurate and complete.
- 3.04 From June, 2004, through February, 2005, various correspondence occurred between the legal counsel of all parties. In February, 2005, the Defendant through its counsel

notified the Plaintiffs that no further royalties were due to the Plaintiffs, that the Defendant owned all electrical/electronic designs, electrical/electronic design documentation, electrical/electronic schematics, and electrical/electronic module design specifications developed by the Plaintiffs that had been incorporated into or were related to products manufactured by the Defendant, and that no further accounting or verification of royalties or sales related to the parties would be provided by the Defendant.

- 3.05 One or both of the Plaintiffs (a) provided testing and troubleshooting for LNA units shipped by Micrin prior to September 22, 2003, (b) designed, made and tested the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main power PDU Alarm Circuit during certain periods of time following April 1, 2001, and (c) expended engineering time, designed, made, and tested the prototype of a DC/DC converter to be used with a LNA panel manufactured by the Defendant module during certain periods of time following April 1, 2001. The Defendant benefitted from these contributions by the Plaintiffs, but refuses and continues to refuse to compensate the Plaintiffs for such contributions despite requests by the Plaintiffs that the Defendant do so.
- 3.06 The Defendant has failed to cure its failure to account for and to verify royalties and certain other compensation due to the Plaintiffs, and, based on information and belief, may have failed to pay royalties and certain other compensation due to the Plaintiffs, under its agreements and contracts with the Plaintiffs.

3.07 On or about January 16, 2005, the Plaintiffs notified the Defendant that all contracts between the Plaintiffs and the Defendant were canceled. The Defendant notified the Plaintiffs on February 9, 2005, that it considered any agreements between the parties to remain in effect.

#### IV. PERFORMANCE

4.01 The Plaintiffs would show the Court that they have performed their obligations owed to the Defendant and that all conditions precedent have been complied with by the Plaintiffs.

### V. DECLARATORY JUDGMENT

- 5.01 The Plaintiffs petition the Court pursuant to the Declaratory Judgments Act.

  Chapter 37 of the Civil Practice and Remedies Code of Texas, for the construction of the written royalty agreements, design agreements, patent agreement, assignments, and/or other written agreements or contracts relating to the design by any Plaintiff of any technology, design or product related to the Defendant, particularly as such relate to royalties or other monies due and the ownership of the design, design rights, royalty rights, patent rights, and intellectual property related thereto.
- 5.02 The Plaintiffs request the Court to construe the royalty and design agreements, assignment and contracts between the parties to determine who owns the designs developed by any Plaintiff or the Plaintiffs and to determine the rights, liabilities, duties, responsibilities, and legal relations of the Plaintiffs and the Defendant under such agreements, assignment and/or

contracts.

5.03 The Plaintiffs have retained Gary P. Patton to represent them in this action and have agreed to pay him reasonable and necessary attorney's fees. An award of reasonable and necessary attorney's fees to the Plaintiffs would be equitable and just and therefore authorized by Section 37.009 of the Civil Practice and Remedies Code.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- A declaration that one or both Plaintiffs own all electrical and electronic designs developed by one or both Plaintiffs, whether original or modified;
- 2. A declaration that all electrical and electronic design documentation related to all designs developed by one or both Plaintiffs are owned by the Plaintiffs;
- 3. A declaration that all royalties previously due to L.S. Unico, Inc. for electrical and electronic designs developed by one or both Plaintiffs are due and payable on the sales of all products sold by the Defendant that incorporate such electrical or electronic designs and any modification of such designs;
- 4. A declaration that L.S. Unico, Inc. has the right to cancel any royalty agreement it has with the Defendant;
- 5. A declaration that all royalty agreements and contracts between the Plaintiffs and the Defendant were canceled as of January 26, 2005;

- 6. A declaration that the patent assignment between L. S. Unico, inc. and the Defendant is void;
- 7. A declaration that the Defendant is not allowed to manufacture or market any product or technology containing any design or any modification of any design of any Plaintiff without the written permission of the Plaintiffs;
- 8. A declaration that the written agreements between any Plaintiff and the Defendant did not include compensation to the Plaintiffs for time and expertise (a) for testing and troubleshooting all LNA units shipped by the Defendant prior to September 23, 2003; (b) for designing and testing the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main Power PDU Alarm Circuit; and (c) for designing and testing the prototype of a DC/DC converter module to be used with a LNA panel.
  - 9. Reasonable and necessary attorney's fees:
  - Costs of suit; and
  - 11. Such other and further relief to which the Plaintiffs may be justly entitled.

#### VL ACCOUNTING

6.01 Pursuant to certain agreements between the Defendant and one or both Plaintiffs, the Defendant was obligated or may be obligated to pay to L.S. Unico, Inc. certain sums of money, including but not limited to royalties.

- 6.02 The Defendant has refused to account for royalties and certain other compensation either paid or, based on information and belief, believed to be due, to one or both Plaintiffs, although requested to do so by the Plaintiffs on numerous occasions prior to the initiation of this suit.
- 6.03 The Defendant has failed to provide a verification and a just accounting of royalties paid to the Plaintiffs for periods through October 15, 2004, and has failed to provide verification and a just accounting related to its claim that no royalties are due to the Plaintiffs since October 15, 2004, despite numerous requests by the Plaintiffs for such verification and just accounting.

The Defendant has refused to allow the Plaintiffs to have access to or to review documents in its possession and electronic files in its possession containing entries and information related to the sales of products incorporating designs developed by one or more Plaintiffs or related to the royalty agreements executed by the Defendant, despite numerous requests by the Plaintiffs for such access and review.

- 6.04 The Defendant has in its possession sales records, product information, design information and customer information that would indicate the validity or lack thereof of the monies paid to the Plaintiffs and the claims of the Defendant of either no sales or sales of only products that do not incorporate designs developed by one or both Plaintiffs.
  - 6.05 The Plaintiffs cannot determine whether the Defendant has paid the proper

royalties due without an accounting. The nature of the transactions involved is such that by reason of their complexity and the Defendant's exclusive possession of the records necessary to determine the amounts, if any, due, any amount due cannot be determined without an accounting.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- 1. An accounting between the Defendant and the Plaintiffs;
- 2. A judgment on behalf of the Plaintiffs and against the Defendant for the amount found to be due from the Defendant under the accounting:
  - Costs of suit: and
  - Such other and further relief to which the Plaintiffs may be justly entitled.

### VII. UNJUST ENRICHMENT

7.01 One or both Plaintiffs provided to the Defendant time and expertise for testing and troubleshooting all LNA units shipped by the Defendant prior to September 23, 2003, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant.

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the reduced engineering rate of \$25.00 per unit, such amount being reasonable and customary in the particular industry

and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above.

7.02 One or both Plaintiffs provided to the Defendant at least thirty (30) hours of engineering time and expertise for designing, making and testing the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main Power PDU Alarm Circuit, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant.

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the rate of \$150.00 per hour, such amount being reasonable and customary in the particular industry and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above.

7.03 One or both Plaintiffs provided to the Defendant at least twenty (20) hours of engineering time and expertise for designing and testing the prototype of a DC/DC converter module to be used with a LNA panel, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant.

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the rate of \$150.00 per hour, such amount being reasonable and customary in the particular industry and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above, and as a result has been unjustly enriched.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- 1. A judgment on behalf of the Plaintiffs and against the Defendant for the amount found to be due from the Defendant for back wages, reasonable compensation, engineering time and expertise, plus interest at the legal rate from the dates of accrual, in an amount within the jurisdictional limits of this Court, such amount being the amount in which the Defendant was unjustly enriched as the result of the aforementioned expenditure of time and expertise by the Plaintiffs;
  - Interest on the judgment at the legal rate from the date of entry until paid;
  - Reasonable and necessary attorney's fees;
  - 4. Costs of suit; and
  - 5. Such other and further relief to which the Plaintiffs may be justly entitled.

### VIII. BREACH OF CONTRACT

8.01 As of the date of the filing of this suit, the Defendant has refused to pay any of

the amounts due or believed to be due as set forth herein. More than thirty (30) days have passed since the date of the Plaintiffs' demand as set forth above to the Defendant.

Based on information and belief certain royalty amounts due from the Defendant have accrued, the exact amount of which cannot be ascertained subject to the aforementioned declaratory judgment action and accounting. In addition the Defendant has not assigned to the Plaintiffs certain alleged rights in the technology related to the patent application process abandoned by the Defendant and except for such process, the Plaintiffs would not have agreed to execute any assignment of rights.

- 8.02 The Plaintiffs have made reasonable and just demand upon the Defendant by mailing or faxing to the Defendant written demand for such amounts more than thirty (30) days prior to the filing of this suit.
- 8.03 Notwithstanding the above just and reasonable demands, the Defendant has failed and continues to fail to pay to the Plaintiffs the monies owed to the Plaintiffs.
- As a result of the Defendant's failure to meet its obligations to the Plaintiffs, and due to the Defendant's default on those obligations, the Plaintiffs have been required to employ the undersigned attorney to file and prosecute this suit.
  - 8.05 The Plaintiffs' claims have been timely presented to the Defendant and the claims remain unpaid. Accordingly, the Plaintiffs are entitled to receive reasonable and necessary attorney fees pursuant to the Texas Civil Practice & Remedies Code, Section 38.001, et seq.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- A judgment on behalf of the Plaintiffs and against the Defendant in an amount I. within the jurisdictional limits of this Court;
  - Interest on the judgment at the legal rate from the date of cutry until paid; 2.
  - Reasonable and necessary attorney's fees; 3.
  - 4. Costs of suit; and
  - 5. Such other and further relief to which the Plaintiffs may be justly entitled.

Respectfully, submitted,

GARY PYATTON

Attorney at Law

State Bar No. 15627400

14275 Midway Road, Suite 220

Dallas, Texas 75001-3645.

(972) 687-9016

(972) 687-9017 Fax

Email: pattonlaw@earthlink.net ATTORNEY FOR PLAINTIFFS

State of Texas

County of Dallas

Before me, the undersigned notary public, on this day personally appeared Leonard Sadjadi, known to me, who, after being by me duly sworn, upon his oath stated that he is the Plaintiff in the above styled cause and that he is the President of L.S. Unico, Inc.; that he has read the foregoing Plaintiffs' Original Petition; and that every statement contained therein is true and correct within his personal knowledge or belief. Signed the 14th day of March, 2005.

Leonard Sadjadi, Individually and as President of L.S. Unico, Inc.

JEFFREY GIDLEY lotary Public, State of Texas My Commission Expires February 11, 2007

Printed Name: Veffrey

My Commission Expires:

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L.S. UNICO, INC. and LEONARD SADJADI, Individually,	Ş Ş 8	TN THE COUNTY COURT  SY  EFFERTY
Plaintiffs,	§ 8	·
vs.	\$ 8	AT LAW NO. 1 OF
MICRIN TECHNOLOGIES CORPORATION,	§ 5 6	
Defendant.	Š	DALLAS COUNTY, TEXAS

### **DEFENDANT'S ORIGINAL ANSWER**

TO THE HONORABLE JUDGE OF SAID COURT:

Comes now, MICRIN TECHNOLOGIES CORPORATION, Defendant, in the above referenced matter and states as follows:

I.

Defendant denies each and every, all and singular the allegations contained in Plaintiffs' Original Petition and demands strict proof thereof.

WHEREFORE, premises considered, Defendant prays that Plaintiffs take nothing by this action and that Defendant recover its costs of court.

DEFENDANT'S ORIGINAL ANSWER - Page 1

Respectfully submitted,

Roger Albright (Bar No. 009 745 80)

Law offices of Roger Albright

330/ Elm Street

Dallas, Texas 75226-1637

(214) 939-9222

(214) 939-9229 (Telecopier)

COUNSEL FOR DEFENDANT

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing instrument has been served upon the below-listed counsel of record, by placing same in the United States Mail, postage prepaid, on this the \_\_\_\_\_\_ day of April, 2005:

Mr. Gary P. Patton Attorney at Law 14275 Midway Road, Suite 220 Dallas, Texas 75001-3645

Roger Albrigh

DEFENDANT'S ORIGINAL ANSWER - Page 2



NO. cc-05-03170-A

L. S. UNICO, INC. and LEONARD SADJADI, Individually,	§ §	IN THE COUNTY COUNT
Plaintiffs,	§ §	January Colombia
v.		AT LAW NO. 1 OF
MICRIN TECHNOLOGIES CORPORATION,	8	·
Defendant.	§ §	DALLAS COUNTY, TEXAS

### DEFENDANT MICRIN TECHNOLOGIES CORPORATION'S FIRST AMENDED ANSWER AND COUNTERCLAIM

COMES NOW Defendant Micrin Technologies Corporation ("Micrin") and files this First Amended Answer and Counterclaim against L.S. Unico, Inc. and Lconard Sadjadi, Individually (collectively the "Plaintiffs"), and states:

#### I. General Denial

Pursuant to Rule 92 of the Texas Rules of Civil Procedure, Micrin hereby enters a 1. general denial of Plaintiffs' allegations, and demands strict proof thereof by a preponderance of . the evidence or as otherwise required by law.

#### AFFIRMATIVE DEFENSES

- 2. Plaintiffs' claims are barred, in whole or in part, because Plaintiffs fail to state a claim on which relief can be granted with respect to any of its claims.
- By way of further affirmative defense, if any be necessary, Plaintiffs' claims are 3. barred, in whole or in part, because it lacks standing to assert such claims.

#### COUNTERCLAIM AGAINST PLAINTIFFS

#### II. Discovery Control Plan

4. Micrin anticipates that discovery in this case will be conducted pursuant to TEX. R. Civ. P. 190.3 ("Level 2").

#### III. Parties

- Micrin is a Texas corporation with its principal place of business in Dallas, Dallas
   County, Texas.
- 6. Plaintiff L.S. Unico, Inc. ("L.S. Unico") is a Texas corporation with its principal place of business in Dallas, Dallas County, Texas. It may be served with process by serving its registered agent for service of process, Leonard Sadjadi at 6529 Southpoint Drive, Dallas, Texas 75248-2219.
- 7. Plaintiff Leonard Sadjadi ("Sadjadi") is an individual residing at 6529 Southpoint Drive, Dallas, Texas 75248-2219. He may be served with process at 6529 Southpoint Drive, Dallas, Texas 75248-2219.

#### IV. Jurisdiction and Venue

8. Venue for the original lawsuit filed by Plaintiffs against Defendant is in Dallas County, Texas. Venue of the main action establishes venue for the counterclaim, pursuant to Tex. Civ. Prac. and Rem. Code § 15.062. The Court has jurisdiction over this controversy because the main action is currently pending before this Court.

#### V. Facts

9. On or about April 20, 2001, Plaintiffs and Micrin entered into the Advanced I.NA Product Development Agreement and the L-Module/As-Module Product Development Agreement (collectively the "Agreements"). Pursuant to the Agreements, Plaintiffs were to

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provide design per customer specification, development, test support, resolution of technical

issues, test fixture design, creation of test procedure, electrical documentation, and ongoing

product engineering support. Further, Plaintiffs and Micrin entered into a Non-Disclosure

Agreement (the "NDA") concerning Micrin's technical data and/or proprietary information that

was used in preparation and submittal of proposals, technical documentation, training materials,

and/or design, development, or production of products pursuant to the Agreements (the "Micrin

Confidential Information"). Under the NDA, Plaintiffs agreed to not disseminate nor disclose in

any way the Micrin Confidential Information.

Plaintiffs provided false information concerning Sadjadi's abilities, background 10.

and qualifications as an electrical engineer in order to induce Micrin to enter into the

Agreements. Further, Plaintiffs failed to perform under the Agreements by providing inadequate

electrical design and engineering work which Micrin was forced to correct at an additional cost

and expense to Micrin. Moreover, even after the false representations and breach of the

Agreements, Plaintiffs then violated the NDA by providing the Micrin Confidential Information

to third parties.

VI. First Cause of Action: Breach of Contract

Micrin realleges the facts set out in the preceding paragraphs and incorporates 11.

those allegations by reference below as if fully set forth verbatim.

12. In exchange for good and valuable consideration, Plaintiffs entered into the

Agreements and the NDA with Micrin. Plaintiffs violated the Agreements by providing

inadequate electrical design and engineering work. Further, Plaintiffs violated the NDA by

providing the Micrin Confidential Information to third parties.

13. As a direct and proximate result of Plaintiffs' breach of the Agreements and the NDA, Micrin has suffered damages, including attorneys' fees which Micrin seeks pursuant to Tex. Civ. Prac. & Rem. Code § 38.001, that continue to accrue, in an amount to be proved at trial.

### VII. Second Cause of Action: Declaratory Relief

those allegations by reference below as if fully set forth verbatim. Pursuant to Tex. CIV. PRAC. & REM. CODE § 37.001 et seq., Micrin asks that this Court declare the respective rights, status, and other legal relations of the parties to this action with respect to the Agreements and the NDA and other matters set forth herein. Specifically, Micrin alleges that it and Plaintiffs are persons interested under the Agreements and the NDA. Micrin alleges that the parties' rights, status, and legal relations are thereby affected. A justiciable controversy exists between the parties involving a genuine conflict of tangible interests, and a judgment or decree of this Court in accordance with the relief requested below will terminate the controversy and remove any uncertainty with respect to the parties' rights, status, and legal relations. In order to resolve the controversies and uncertainties existing between the parties, Micrin is entitled to a judicial determination and declaration with respect to the Agreements and the NDA.

### VIII. Third Cause of Action: Fraud/Fraudulent Inducement

- 15. Micrin realleges the facts set out in the preceding paragraphs and incorporates those allegations by reference below as if fully set forth *verbatim*.
- 16. Plaintiffs committed fraud. As described with particularity herein, Plaintiffs made material misrepresentations with knowledge of their falsity or recklessly without any knowledge of the truth and as a positive assertion. Plaintiffs' misrepresentations constituted false statements

of fact and promises of future action made with an intent, at the time the promise was made, not to perform as promised. Plaintiffs' misrepresentations were made with the intention that Micrin act in reliance upon them and to induce Micrin into entering into the Agreement. Micrin did act in reliance on the misrepresentations and thereby suffered injury. Plaintiffs made the misrepresentations that (i) Sadjadi had certain qualifications, (ii) Sadjadi was a competent engineer, (iii) an existing Micrin owned circuit did not satisfy Micrin's needs, and (iv) Plaintiffs could and had the ability to fulfill their obligations under the Agreements.

- 17. Further, Plaintiffs failed to disclose material facts within its knowledge of which Plaintiffs knew Micrin was ignorant and did not have an equal opportunity to discover the truth. Plaintiffs intended to induce Micrin into entering into the Agreement while failing to disclose that (i) Sadjadi had certain qualifications, (ii) Sadjadi was a competent engineer, and (iii) an existing Micrin owned circuit did not satisfy Micrin's needs, and (iv) Plaintiffs could and had the ability to fulfill their obligations under the Agreements. Micrin suffered injury as a result of acting without knowledge of the undisclosed facts.
- 18. As a direct and proximate result of Plaintiffs' fraud, Micrin has sustained damages in an amount in excess of this Court's minimum jurisdictional limit. Plaintiffs' actions were willful, malicious, and engaged in with the intent to defraud Micrin. As a result, Micrin is entitled to compensatory and exemplary damages.

#### IX. Fourth Cause of Action: Negligent Misrepresentation

- 19. Micrin realleges the facts set out in the preceding paragraphs and incorporates those allegations by reference below as if fully set forth *verbatim*.
- 20. Plaintiffs made negligent misrepresentations. As described with particularity herein, Plaintiffs made representations in the course of their business or in a transaction in which

it had a pecuniary interest. These representations supplied false information for the guidance of Micrin in the course of its business. Plaintiffs did not exercise reasonable care or competence in obtaining or communicating the information to Micrin.

21. As a direct and proximate result of Plaintiffs' negligent misrepresentations, Micrin has sustained damages in an amount in excess of this Court's minimum jurisdictional limit. Plaintiffs' actions were willful, malicious, and engaged in with the intent to defraud Micrin. As a result, Micrin is entitled to compensatory and exemplary damages.

# X. Fifth Cause of Action: Tortious Interference With Present And/Or Prospective Business/Contractual Relations by Plaintiffs

- 22. Micrin realleges the facts set out in the preceding paragraphs and incorporates those allegations by reference below as if fully set forth *verbatim*.
- 23. As a result of the Agreements with Micrin, Plaintiffs possess confidential and proprietary information relating to Micrin and its clients. Plaintiffs have wrongfully used and disclosed Micrin's trade secrets and confidential and proprietary information and, on information and belief, continue to do so, in violation of their contractual and other duties to Micrin, as described herein.
- 24. On information and belief, Plaintiffs have intentionally and improperly contacted Micrin's ongoing and prospective clients to sell products based on the Micrin Confidential Information. By Plaintiffs' conduct, they have acted maliciously and intentionally, preventing the relationships from continuing and/or beginning, with the purpose of harming Micrin.
  - 25. Plaintiffs' conduct was not privileged or justified.
- 26. As a direct and proximate result of the conduct of Plaintiffs, Micrin has suffered damages, which continue to accrue, in an amount to be proved at trial.
  - 27. Plaintiffs' conduct was fraudulent and/or malicious.

28. As a result of the harm caused by Plaintiffs' fraudulent and/or malicious conduct, Micrin is entitled to exemplary damages.

### XI. Sixth Cause of Action: Theft and Misappropriation of Trade Secrets in Violation of the Texas Theft Liability Act

- 29. Micrin realleges the facts set out in the preceding paragraphs and incorporates those allegations by reference below as if fully set forth verbatim.
- 30. Solely as a result of their relationship with Micrin, Plaintiffs used, received and had knowledge of trade secrets and confidential and proprietary information of Micrin, including, among other things, the Micrin Confidential Information as well as Micrin's customer and vendor information. Micrin has made and continues to make reasonable efforts to maintain the secrecy of these trade secrets and confidential and proprietary information, which Plaintiffs obtained in confidence.
- 31. Plaintiffs have stolen and wrongfully disclosed, communicated, and/or transmitted and used trade secrets and confidential and proprietary information of Micrin. At the time of their disclosure and use, Plaintiffs knew or had reason to know that they acquired their knowledge of the trade secrets and confidential and proprietary information of Micrin under circumstances giving rise to a duty to maintain the secrecy of those trade secrets and confidential and proprietary information.
- 32. Micrin has not given express or implied consent to Plaintiffs to disclose, communicate, transmit, or use its trade secrets and confidential and proprietary information after their employment with Micrin ended. Any such use by Plaintiffs was and continues to be unauthorized.
- 33. Plaintiffs' theft and misappropriation of the trade secrets and confidential and proprietary information of Micrin was fraudulent and/or malicious.

- 34. As a direct and proximate result of Plaintiffs' conduct, Micrin has suffered damages, including attorneys' tees, which continue to accrue, in an amount to be proved at trial.
- Micrin is entitled to exemplary damages.

#### XII. Declaratory Relief Requested

- 36. Micrin re-alleges the facts set out in the preceding paragraphs and incorporates those allegations by reference below as if fully set forth *verbatim*. Micrin asks this Court to enter a judgment doubling the respective rights, status, and legal relations of Micrin and Plaintiffs, as follows:
  - a. That Micrin has not breached any obligations pursuant to the Agreements;
  - b. That Micrin is current on any and all royalty payments for the "3 Channel Rx Low Noise Amplifier;" and
  - c. That Plaintiffs failed to perform their obligations under the Agreements and the NDA.
- 37. Pursuant to Tex. Civ. PRAC. & REM. CODE § 37.009, Micrin further requests that it be awarded its reasonable and necessary attorney's fees and its costs of suit in bringing this action.

#### XIII. Praver

For the reasons set out above, Micrin Technologies Corporation prays that it be awarded all damages resulting from Plaintiffs' actions and that Plaintiffs take nothing by this action, that judgment be entered in Micrin's favor on all claims herein, together with reasonable and necessary attorneys' fees as permitted by statute, costs of suit, interest on any damages offered by law, and that Micrin receive such other and further relief to which it may be entitled.

Date: June 15, 2005.

Respectfully submitted,

**BRACEWELL & GIULIANI LLP** 

By: Michael J. Dinin

Michael L. Dinnin State Bar No. 05888100 Morgan D. Meyer State Bar No. 24013161

500 N. Akard Street Lincoln Plaza, Suite 4000 Dallas, Texas 75201 Tclephone: (214) 758-1000

Telecopier: (214) 758-1010

ATTORNEYS FOR DEFENDANT MICRIN TECHNOLOGIES CORPORATION

### CERTIFICATE OF SERVICE

I hereby certify that on June 15, 2005, a true and correct copy of Defendant Micrin Technologies Corporation's First Amended Answer and Counterclaim was forwarded by certified mail, return receipt requested, to:

Gary P. Patton 14275 Midway Road, Suite 220 Addison, Texas 75001-3645

Morgan D. Meyer